GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:6644
ANSWERED ON:10.05.2002
NATIONAL JUTE MANUFACTURES CORPORATION
MINATI SEN

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are planning to close National Jute Manufactures Corporation;

(b) if so, the details thereof alongwith the reasons therefore;

(c) whether property of NJMC valued at Rs. 700 crore is being projected for sale at Rs. 45 crore; and

(d) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) No sir.

(b) Does not arise

(c) &(d) NJMC is a sick company and stands referred to BIFR since 11th August, 1992In accordance with direction of BIFR, a study was conducted by IJIRA regarding the unit wise viabilityof NJMC mills.The study recommended that only three mills of the Corporation are viable and that too only in private sector. However, the government in an effort to revive all the mills, proposed to BIFR that a mill wise revival could be attempted through sale/transfer of the mills to workers cooperatives, state government or private bidders, in that order. BIFR approved the government proposal and the Operating Agency (OA) asked for bids through open competitive bidding. The prospective buyers have been offered mills on the condition that the assets can not be alienated for ten years and interests of permanent workers shall be protected. The offers received against open advertisement from prospective buyers have been evaluated and placed before BIFR in the hearing held on 4.4.2002.BIFR has not taken a final decision in the matter.